

Elizabeth Rogers

From: Kristy Carroll [kcarroll@universalservice.org]
Sent: Wednesday, November 03, 2004 2:27 PM
To: Elizabeth Rogers
Cc: Paul Loh; Yvonne Ramirez
Subject: RE: Premio/LAUSD

Elizabeth --

Thank you for the reminder e-mail. I will be sending the e-mail shortly. As to your question below, and as I've discussed with Paul Loh, I am the right person to be working with on the pending payment.

Kristy

Kristy L. Carroll
Associate General Counsel
USAC
2000 L Street NW
Suite 200
Washington, DC 20036
202.263.1603
www.universalservice.org

From: Elizabeth Rogers [mailto:ElizabethRogers@willenken.com]
Sent: Wednesday, November 03, 2004 5:24 PM
To: Kristy Carroll
Cc: Paul Loh; Yvonne Ramirez
Subject: FW: Premio/LAUSD

Dear Kristy:

Have you had a chance to send the follow up inquiry to David Elson of LAUSD? If so, Paul was not copied on the message, but we would appreciate receiving a copy of it now, and any status update with which you can provide us.

Also, if you are not the correct person to direct our inquiry about whether and when SLD will pay Premio the approximately \$700,000 in E-Rate funds owed to it for the year-2 carryover machines, would you please let me know who to contact?

We are under time pressure from the court, and would therefore appreciate whatever information and assistance you can provide at your earliest convenience.

Regards,
Liz Rogers

From: Elizabeth Rogers
Sent: Wednesday, October 27, 2004 12:31 PM
To: 'Kristy Carroll'
Cc: Paul Loh; Yvonne Ramirez
Subject: FW: Premio/LAUSD

Dear Kristy:

Thank you for returning my call today inquiring about your receipt of our October 19th inquiry (attached again below). I understand that you plan to follow up on an inquiry you sent David Elson of LAUSD, copying Paul, regarding the year-1 carryover machines. Thank you in advance for doing so.

Would you please also let me know when to expect a response to our inquiry about whether and when SLD will pay Premio the approximately \$700,000 in E-rate funds owed to Premio for the year-2 carryover machines?

As I reiterated in our conversation, any E-rate violation revealed by your inquiry was caused by LAUSD, not Premio. Premio remains ready, willing, and able to deliver the remaining year-1 carryover machines. Please bear that in mind should you conclude an E-rate violation occurred. USAC has discretion to adopt solutions to non-statutory E-rate violations-solutions such as delivery after the contract year (to LAUSD or another E-rate school in need)-and Premio encourages you to adopt a solution consistent with the program's goals in the event your inquiry leads USAC to conclude that a regulatory violation occurred.

Regards,
Liz Rogers

From: Elizabeth Rogers
Sent: Tuesday, October 19, 2004 11:56 AM
To: 'Kristy Carroll'
Subject: Premio/LAUSD

Dear Kristy:

Please see the attached letter requesting an update regarding USAC's investigation into the distribution of funds to Premio pursuant to its E-rate contract with LAUSD.

I am a colleague of Paul Loh's, at Willenken Wilson Loh & Stris LLP. Please contact me with any questions, as Paul is traveling on business this week.

Thank you,

Elizabeth I. Rogers
WILLENKEN WILSON LOH & STRIS LLP
725 S. Figueroa Street, Suite 1690
Los Angeles, CA 90017
(DIRECT TEL) (213)-955-8024
(MAIN TEL) (213)-955-9240

(FAX) (213)-955-9250
elizabethrogers@willenken.com
www.willenken.com

Elizabeth Rogers

From: Elson, David [delson@manatt.com]
Sent: Friday, November 19, 2004 2:46 PM
To: Kristy Carroll
Cc: Elizabeth Rogers; Paul Loh
Subject: RE: Follow up information for FRNs 236460 and 238465

I have a call in to Rick Deeb. We'll hopefully get back to you very soon

-----Original Message-----

From: Kristy Carroll [mailto:kcarroll@universalservice.org]
Sent: Friday, November 19, 2004 10:38 AM
To: Elson, David
Cc: Elizabeth Rogers; Paul Loh
Subject: RE: Follow up information for FRNs 236460 and 238465

David --

I still have not received a response to our request for the information requested below. I requested this information via e-mail over three months ago on August 10, 2004. Please provide the information requested by November 30, 2004. If USAC does not receive a response at that time, we will move forward and make a decision based on the information that we have.

Paul -- when we discussed this matter in August, you indicated that your client had information responsive to our questions below. Would you please provide this information so that we can move forward on this matter.

Thank you for your cooperation.

--Kristy

Kristy L. Carroll
Associate General Counsel
USAC
2000 L Street NW
Suite 200
Washington, DC 20036
202.263.1603
www.universalservice.org

-----Original Message-----

From: Elson, David [mailto:delson@manatt.com]
Sent: Wednesday, November 03, 2004 5:36 PM
To: Kristy Carroll
Cc: Elizabeth Rogers; Paul Loh
Subject: RE: Follow up information for FRNs 236460 and 238465

I will follow up on this

-----Original Message-----

From: Kristy Carroll [mailto:kcarroll@universalservice.org]
Sent: Wednesday, November 03, 2004 2:30 PM
To: Elson, David
Cc: 'Elizabeth Rogers'; 'Paul Loh'
Subject: FW: Follow up information for FRNs 236460 and 238465

David --

This follows up to my email below. Have you received a response from the District?

Many thanks,

Kristy

-----Original Message-----

From: Elson, David [mailto:delson@manatt.com]
Sent: Tuesday, August 10, 2004 7:06 PM
To: Kristy Carroll
Cc: Paul Loh
Subject: RE: Follow up information for FRNs 236460 and 238465

I have forwarded your request for information to the District, and will get you a response as soon as I have the information kyou are requesting

-----Original Message-----

From: Kristy Carroll [mailto:kcarroll@universalservice.org]
Sent: Tuesday, August 10, 2004 1:41 PM
To: Elson, David
Cc: 'Paul Loh'
Subject: Follow up information for FRNs 236460 and 238465

David --

This follows up to our conversation last week. Please provide us with the following details regarding FRNs 236460 and 238465:

1. For each FRN, specify the equipment that was delivered, installed and used by LAUSD. Provide as much detail as possible. For example, indicate the type of equipment, how much of each type, and the per unit cost. Also indicate whether maintenance was provided for any of the pieces of equipment.
2. Indicate the date(s) the equipment was installed, and the time period during which the equipment was used.

Thank you.

Kristy L. Carroll
Associate General Counsel
USAC
2000 L Street NW
Suite 200
Washington, DC 20036
202.263.1603
www.universalservice.org

-----Original Message-----

From: Elson, David [<mailto:delson@manatt.com>]

Sent: Tuesday, November 30, 2004 3:17 PM

To: Kristy Carroll

Cc: Paul Loh; Rick Deeb

Subject: FRNs 238460 and 238465

Kristy: The District apologizes for the delay in responding to your request.

Though there is rarely an excuse for a delay, the District's reason for it in this case is that it is endeavoring to provide you with the most accurate data available. As you may know, many of the District employees who had roles in this set of transactions have moved on to other employment and are not available. However, the District has reviewed an extensive amount of documentation over the past few months. After this review, the District's position remains consistent with its September 15, 2003 letter to you. The District believes that it received no equipment in response to FRNs 238460 and 238465. The District received 120 goods and services under FRN 68230, and as stated in the September letter to you, received goods and services under FRN 260296. The District can locate no record that it received any goods and services at all under FRNs 238460 and 238465. Thank you for your patience.

Elizabeth Rogers

From: Paul Loh
Sent: Monday, December 13, 2004 6:52 PM
To: Kristy Carroll
Cc: 'Elson, David'; Elizabeth Rogers
Subject: LAUSD/Premio

Dear Kristy:

On November 30, 2004, the District represented to you—for the second time—that it received no equipment in response to FRNs 238460 and 238465. The district's representation is, again, inaccurate.

Undisputed documents Premio provided the District in the fall of 2003, which have been in the District's possession for more than a year, demonstrate that Premio delivered (and the District received) equipment under FRN238460 in the spring of 2000. In particular, documents Premio produced to the district bearing bates stamp numbers PC002883 to PC002889 show delivery of 30 total Premio Professional Systems in May of 2000 by the following schools in the Grant/Van Nuys cluster:

- 3 to Jack London High School
- 5 to Millikan Middle School
- 5 to Madison Middle School
- 2 to Van Nuys Middle School
- 4 to Rogers High School
- 5 to Fulton Middle School
- 6 to Van Nuys High School

Total: 30

Premio delivered this equipment in response to FRN238460. In connection with other undisputed documentation Premio produced to the District last year, these documents acknowledging delivery (PC002883 to PC002889) make clear that these 30 machines were delivered pursuant to FRN238460.

The order number in the top right-hand section of the documents acknowledging delivery (PC002883 to PC002889) indicates that the equipment was delivered pursuant to the following order number: 117276SC. That order number—117276SC—is the number of an invoice Premio issued to the District, which was also produced to the District last year, bearing bates stamp numbers PC007645-47. The "Customer P.O." portion appearing in the top left-hand side of that invoice, Invoice Number 117376SC (PC007645), states: FRN0000238460.

The same page of Invoice Number 117376SC (PC007645) states the part numbers and corresponding descriptions of what was delivered in each Premio Professional System, namely:

- BP3j—Premio SHA-ATX-MT/BX3/44BX BB
- 770103—Intel Pentium III (CuMine)/600MHZ/256OD/100FSB SECC2 CPU

- 999246—Cooling fan for Pentium III/SECC2 Universal
- 720556—128MB/16X72/PC100/ECC DIMM Memory
- 440186—Western Digital Enterprise/9.1GB/Ultra II Wide 10,000 RPM SCS
- 329225—Adaptec 29160N Ultra 160 SCSI CTRL KIT
- 330130—ATI Xpert-@-Work/4MB-SGRAM/AGP VGA
- 470753—MITSUMI 4X/4X/24X CD RW IDE Internal
- 350408—ENSONIQ 128V/PCI Sound Card
- 930952—Premio Shadowhawk/16Watts Speaker
- 380755—Intel Etherexpress/PCI/100+BT Management Ethernet Adapt
- 990160—Premio Device Driver
- 68R829—Royalty Fee for 680829
- 680829—MS Windows NT Server 4.0 With 10 Client/Option Pack 4.0

Premio was—and remains—ready, willing, and able to install the remaining 98 year-1 carryover machines. The only reason Premio did not install the remaining 98 year-1 carryover machines is that the District instructed Premio temporarily to suspend shipment, and refused to accept the remaining machines.

I will separately email to you PDF/scanned copies of the documents referenced herein, which corroborate Premio's delivery of 30 year-1 carryover machines. [

Additionally, in response to your inquiry about maintenance, Premio believes that it provided online technical help under FRN238460 to Millikan Middle School. Premio continues to investigate the maintenance it may have provided for these machines, and will provide any corroborating documentation it locates.

We remain optimistic that the District will re-evaluate its response to your inquiry in light of the information contained and explained in this message. Please let us know if there is additional information or documentation we can provide to assist your investigation.

Paul J. Loh, Esq.
WILLENKEN WILSON LOH & STRIS LLP
725 South Figueroa Street, Suite 1690
Los Angeles, California 90017 U.S.A.
(DIRECT TEL) (213) 955-8030
(MAIN TEL) (213) 955-9240
(FAX) (213) 955-9250
paulloh@willenken.com
www.willenken.com